

Senate at the earliest practicable date, but not later than February 28, 1996, and February 28, 1997, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required (1) for the disbursement of salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (3) for the payment of stationery supplies purchased through the Keeper of the Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 1995, through February 28, 1996, and March 1, 1996, through February 28, 1997, to be paid from the Appropriations account for "Expenses of Inquiries and Investigations."

SENATE RESOLUTION 63—RELATIVE TO THE CONSUMER PRICE INDEX

Mr. DORGAN (for himself, Mr. DODD, and Mr. HARKIN) submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 63

Whereas the Board of Governors of the Federal Reserve System has maintained that the current Consumer Price Index overstates the rate of inflation by as much as 50 percent;

Whereas other expert opinions on the accuracy of the Consumer Price Index range from those indicating a modest overstatement of the rate of inflation to those indicating the possibility of an understatement of the rate of inflation;

Whereas several leaders in the Congress have called for an immediate change in the way in which the Consumer Price Index is calculated;

Whereas changing the Consumer Price Index in the manner recommended by the Board of Governors of the Federal Reserve System would result in both a reduction in Social Security benefits and an increase in income taxes;

Whereas the Board of Governors of the Federal Reserve System estimates that a 1-percentage point reduction in the Consumer Price Index, effected today, would generate \$150,000,000,000 in revenue over the next 5 years, including \$55,000,000,000 generated during the year 2000 alone;

Whereas the Board of Governors of the Federal Reserve System estimates that, of the \$55,000,000,000 in revenue estimated to be generated during the year 2000, \$27,500,000,000 would result from a reduction in Social Security benefits and \$21,400,000,000 would result from an increase in personal income taxes, which would primarily impact families with children;

Whereas the Bureau of Labor Statistics, which has responsibility for the Consumer Price Index, is working to identify and correct problems with the way in which the Consumer Price Index is currently calculated; and

Whereas calculation of the Consumer Price Index should be based on sound economic

principles and not on political pressure: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) a precipitous change in the calculation of the Consumer Price Index that would result in an increase in income taxes and a decrease in Social Security benefits is not the appropriate way to resolve this issue; and

(2) any change in the calculation of the Consumer Price Index should result from thoughtful study and analysis and should be the result of a consensus reached by the experts, not pressure exerted by politicians.

Mr. DORGAN. Mr. President, today I join my colleagues Senator DODD and Senator HARKIN to submit a sense-of-the-Senate resolution opposing any precipitous change in the way the Consumer Price Index [CPI] is calculated that is based on politics rather than sound economic analysis.

The discussion in recent days by the Speaker of the House and some others about the calculation of the Consumer Price Index reaffirms the understanding that just because a person is thoughtless doesn't mean they can't also be reckless.

The precipitous call for a change in the Consumer Price Index by the Speaker and others shows again how attracted they are to gimmicks and illusions to prop up the house of cards they call an economic strategy.

This latest suggestion that they dub as technical is one that would cut Social Security COLA's for America's elderly and increase taxes for most of America's taxpayers—all of this under something that they would describe as a technical change.

Let's review what's been said about this. Recently, Chairman Alan Greenspan of the Federal Reserve Board testified before Congress and said that in his judgment the CPI calculation overstates the CPI by 0.5 to 1.5 percent.

I will leave aside, for the moment, the question that begs to be answered. What on earth are Alan Greenspan and his buddies at the Fed doing raising interest rates six times if they think the real rate of inflation is only 1.2 to 1.7 percent.

As to the question about the calculation of the CPI, the studies that have been done—and there have been several—stem mostly from research done by the Bureau of Labor Statistics that calculates the CPI. The Fed study shows it overstates inflation by one-half to 1½ percent. The Congressional Budget Office thinks it overstates inflation by two-tenths of 1 percent to eight-tenths of 1 percent. And there are others in the academic community that think it may actually understate inflation.

This weekend, when asked about Greenspan's comments, the Speaker of the House said that he would give the Bureau of Labor Statistics people "30 days to get it right" or he would fire them and give the job to the Fed. And DICK ARMEY, the House majority leader, said he wants to change the CPI immediately. Of course the motive for both is that if they can use a gimmick

like changing the CPI they will reduce the deficit by cutting Social Security COLA's and by increasing taxes and claim it's all just technical.

The appetite to play these games to justify their economic proposals seems boundless. First they propose to change the way proposals in Congress are scored so that their proposals will look less radical. Now they do half-gainers at Alan Greenspan's suggestion that they change the CPI because they think that will be an easy fix to show a reduced deficit even though someone else—the elderly and the wage earners—will pay the price.

Because the Speaker indicated he would mandate the Bureau of Labor Statistics to make this change in 30 days or he would "zero them out of the budget" the three of us will propose today a sense-of-the-Senate amendment to the mandates bill now on the floor expressing the sense of the Senate that changes in the CPI should be a result of consensus reached by experts; not pressure exerted by politicians.

SENATE RESOLUTION 64—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. SIMPSON, from the Committee on Veterans' Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 64

Resolved, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1995, through February 29, 1996, and March 1, 1996, through February 28, 1997, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or nonreimbursable basis the services of personnel of any such department or agency.

SEC. 2. (a) The expenses of the committee for the period March 1, 1995, through February 29, 1996, under this resolution shall not exceed \$1,036,481, of which not to exceed \$3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period March 1, 1996, through February 28, 1997, expenses of the committee under this resolution shall not exceed \$1,060,341, of which not to exceed \$3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendation for legislation as it deems advisable, to the Senate at the earliest practicable date, but not